

Use Tax Payments for Rental Vehicles

New Information

Vehicle rental companies may pay use tax directly to the Board of Equalization (BOE) based on the vehicle's rental receipts.

The vehicle rental company's registration name does **not** have to include Rent-A-Car, Rental Company, or etc. as part of its name to use this tax payment option.

Procedures

A vehicle rental company that is paying the use tax to BOE based on rental receipts must submit a Statement of Facts (REG 256) with the application to register or transfer the vehicle into their name. The REG 256 must state:

- Their BOE permit number.
- Use tax will be paid to the BOE based on rental receipts.

See BOE's website at www.boe.ca.gov, or call BOE's toll-free telephone number 1-800-400-7115, for information concerning this payment option, or to ask sales or use tax questions not covered in *Vehicle Industry Registration Procedures Manual*, Chapter 4-Use Tax.

Background

BOE defines the term "lease" to include rental of real personal property. The [Vehicle Industry Registration Procedures Manual](#), Chapter 4-Use Tax, will be revised to include this option for vehicle rental companies.

References

[Leasing Tangible Personal Property in California](#), Board of Equalization, Publication 46

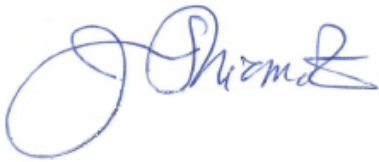
[Board of Equalization, Sales and Use Tax Regulations](#), Regulation 1660. Leases of Tangible Personal Property – In General

Distribution

Notification that this memo is available online, at www.dmv.ca.gov under Publications was made via California DMVs Automated E-mail Alert Service in October 2010.

Contact

Call the DMV Customer Communications Section, at (916) 657-6560 for further clarification of this memo. Upon request, this document can be produced in Braille or large print.

A handwritten signature in blue ink, appearing to read "J Shiimoto". The signature is fluid and cursive, with a large loop at the beginning.

JEAN SHIOMOTO, Deputy Director
Communication Programs Division